

Message Text

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ORIGIN PM-05

INFO OCT-01 NEA-10 ISO-00 CIAE-00 INR-10 NSAE-00
NSC-05 SP-02 SS-15 ACDA-12 L-03 /063 R

DRAFTED BY DOD/DSAA:GRUDD/RS
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-----130237 071320Z /47

R 062208Z SEP 78
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA
INFO SECDEF WASHDC 1194
AMEMBASSY CAIRO

S E C R E T STATE 226101

E.O. 11652: GDS

TAGS: MASS, US, EG, SA

SUBJECT: EGYPTIAN F-5 PROGRAM

REFS: (A) JIDDA 6252; (B) STATE 130213

1. ESTIMATED COST OF EGYPTIAN F-5 PROGRAM IS DOLS 731.5 MILLION. EGYPT HAS SIGNED TWO LOAS FOR PROGRAM; ONE FOR DOLS 730 MILLION FOR ALL FACETS OF PROGRAM EXCEPT CONUS TRAINING, AND THE OTHER FOR DOLS 1.5 MILLION FOR SUCH TRAINING. LOA CONTENT WAS DETERMINED AFTER SEVERAL ON-SITE VISITS AND DETAILED DISCUSSIONS WITH EGYPTIAN OFFICIALS. INCREASE IN ESTIMATED COST FROM THE DOLS 580 MILLION THAT WAS INCLUDED IN CONGRESSIONAL NOTIFICATION, WAS CAUSED BY INTRODUCTION OF FIRST MAJOR US WEAPON SYSTEM INTO EGYPT,

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COUPLED WITH ABSOLUTE NECESSITY TO ASSURE EFFECTIVE AND ENDURING OPERATION OF SYSTEM. ADDITIONAL FACTOR WAS NEED TO RETROFIT FIRST 8 F-5ES TO CONFORM WITH CONFIGURATION OF F-5ES THAT WILL BE DELIVERED IN 1979-80. AS IS TRUE WITH ALL FMS, ONLY ACTUAL COSTS INCURRED ULTIMATELY WILL BE CHARGED. DESCRIPTION OF PROGRAM COST ESTIMATES BY CATEGORY FOLLOWS:

ITEM BREAKOUT	COST ESTIMATE	
	(\$ MILLION)	
AIRCRAFT	\$ 312.2	
SPARE PARTS	113.4	
SUPPORT EQUIPMENT	111.1	
SIMULATORS	17.1	
CONTRACTOR SUPPORT	75.8	
USAF SUPPORT	10.3	
WEAPONS/ARMAMENT	37.7	
TOW TARGET SYSTEM	5.1	
PILOT TRAINING	.7	
GROUND CREW TRAINING	.8	
TRAINING EQUIPMENT	8.3	
TRANSPORTATION/FREIGHT FORWARDER	11.6	
INSURANCE	4.1	
PACKING, HANDLING, CRATING ADMIN.	23.3	
TOTAL	731.5	

2. PAYMENT SCHEDULE EXTENDS OVER FOUR YEAR PERIOD ONLY
 SINCE DOD MUST BE PAID AS IT INCURS COSTS OF PROGRAM
 IMPLEMENTATION. INITIAL PAYMENT OF DOLS 80.7 MILLION
 MUST BE RECEIVED BY DOD ON OCT. 1, 1978 TO ASSURE THAT
 FIRST AIRCRAFT INCREMENT (10 F-5E/F AIRCRAFT) CAN BE
 DELIVERED DURING NOVEMBER/DECEMBER 1979 TIMEFRAME AS
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FORESEEN IN LOA CONSUMMATED BETWEEN DOD AND THE EAF. RE-
 MAINING PAYMENTS MUST BE RECEIVED AT TIMES INDICATED TO
 MEET STATUTORY REQUIREMENTS WITH RESPECT TO PAYING DOD
 CONTRACTORS. GOE ALREADY HAS PAID DOLS 695,000 OF ITS
 OWN FUNDS AGAINST DOLS 1.5 MILLION LOA FOR TRAINING.
 TOTAL PAYMENT SCHEDULE FOR THE DOLS 730 MILLION LOA
 FOLLOWS:

PAYMENT DUE	AMOUNT DUE
(\$ MILLION)	

01 OCT 78	\$ 80.7
15 DEC 78	46.6
15 MAR 79	72.5
15 JUN 79	75.7
15 SEP 79	66.6
15 DEC 79	65.8
15 MAR 80	65.9
15 JUN 80	60.4
15 SEP 80	42.1
15 DEC 80	28.8
15 MAR 81	20.9

15 JUN 81	22.6
15 SEP 81	23.7

PAYMENT DUE (\$ MILLION)	AMOUNT DUE
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15 DEC 81	15.0
15 MAR 82	16.4
15 JUN 82	13.2
15 SEP 82	8.8
15 DEC 82	4.3

THIS SCHEDULE WILL BE REVIEWED ANNUALLY DURING THE LIFE OF
THE CASE, AND APPROPRIATE ADJUSTMENTS FOR THE REMAINDER
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OF THE SCHEDULE WILL BE MADE AT THAT TIME.

3. AS OUTLINED IN PARA 3 OF REFTEL B, WE INTEND TO EX-
CHANGE DIPLOMATIC NOTES WITH SAG IF AND WHEN LATTER
AGREES TO FUND THIS PROGRAM. THIS EXCHANGE WILL REAFFIRM
INFORMATION CONTAINED IN PARAS 1 AND 2 ABOVE AND WILL SET
FORTH MECHANISM FOR TRANSFER OF PAYMENTS. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FIGHTER AIRCRAFT, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE226101
Document Source: CORE
Document Unique ID: 00
Drafter: GRUDD/RS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780364-0721
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780996/aaaadbur.tel
Line Count: 143
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9767fa56-c288-dd11-92da-001cc4696bcc
Office: ORIGIN PM
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
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Reference: 78 JIDDA 6252, 78 STATE 130213
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1527406
Secure: OPEN
Status: NATIVE
Subject: EGYPTIAN F-5 PROGRAM
TAGS: MASS, US, EG, SA
To: JIDDA
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/9767fa56-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
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20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014